



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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April 4, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

TRIAL COURT FACILITIES ACT OF 2002: QUARTERLY UPDATE

On November 12, 2002, your Board instructed my office to report on the implementation of SB 1732 and to provide quarterly updates thereafter. SB 1732 is the legislation which requires the transfer of county courthouses to the State. This is the ninth quarterly report on the subject and covers January through March 2005 activities.

In our last quarterly update dated January 6, 2005, we reported that Riverside County, on October 21, 2004, officially transferred the first court facility to the State, although the transfer agreement had not yet been finalized. The agreement for the transfer has still not been finalized due to disagreement over the content and the language of the agreement, as well as insurance, ongoing maintenance, and voice and data system issues. To date, no transfers have taken place in any county.

Legislation

Three bills related to the facilities transfer have been introduced in the State Legislature:

- SB 395 (Escutia), introduced on February 17, 2005, would provide legislative intent to put a State Bond Act on the ballot to fund the acquisition, construction, and rehabilitation of courts. Under SB 1732, upon transfer of courthouse facilities to the State, the State is responsible for construction of new court facilities, as well as for maintenance of existing facilities. The State does not currently have sufficient resources to carry out that responsibility, and a bond issue is essential to further the State's construction plans.

- AB 262 (Berg), introduced on February 8, 2005, will allow the County to transfer courthouses to the State without the County expenditure of potentially hundreds of millions of dollars for structural retrofit. As introduced, AB 262 would remove a significant obstacle to the SB 1732 facilities transfers by changing the seismic standard for transferable courthouses to the local standard adopted in each county. The current Los Angeles County Building Code requires structural retrofit only to unreinforced masonry and concrete tilt-up buildings; therefore, AB 262 will allow most, if not all, Los Angeles County courthouses to transfer without the need for structural retrofit.
- AB 1435 (Evans), introduced on February 22, 2005, clarifies the broader interpretation of how Courthouse Construction Fund (CCF) moneys can be used. Under SB 1732, the State has taken over the authority for expenditures in each county's CCF. The Administrative Office of the Courts (AOC) has taken a narrow interpretation as to how CCF funds can be used. Since the County's prior utilization of the CCF is in keeping with the AOC interpretation, we are not affected by AB 1435.

Other Issues

The County Facilities Payment (CFP) form, which will be prepared for every courthouse, is under discussion among the counties, the California State Association of Counties (CSAC), and the State. The issue of using the State-approved Countywide Cost Allocation Plan (CCAP) as the basis of the CFP calculation is being questioned by the State Auditor. This is contrary to earlier agreement among the counties, AOC, and CSAC. CSAC has issued a letter to AOC objecting to the rule change which would cost the counties unnecessary time, money and effort; the issue remains unresolved.

County staff continue to participate in the monthly conference calls with the California State Association of Counties (CSAC) and quarterly meetings among Southern California counties. We are scheduled to meet with AOC staff in early April to move forward with the transfer of our courthouses. We will report back with the next quarterly report in July 2005.

DEJ:JSE
MV:AT:rr

c: Executive Officer, Board of Supervisors
Auditor-Controller
County Counsel
Internal Services Department
Department of Public Works